



Reimbursements

Getting Your Money Back!

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Dry Cleaner Environmental Response Fund Program

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When confronting the need to conduct an environmental investigation and cleanup, you should be sure that the money you spend is reimbursable to the maximum extent practicable. This fact sheet provides you with information on costs that are and are not eligible for reimbursement, as well as information that will need to be provided to the department for your application to be considered complete. You should be aware that most costs directly related to the clean up of a contaminated site are eligible for reimbursement. The listing of ineligible costs is for those activities that may not be considered directly related to the cleanup efforts.

Eligible Costs

Costs for conducting the following activities are eligible for reimbursement from the Dry Cleaner Environmental Response Fund. Keep in mind that reimbursement of eligible costs will be limited to the costs specified in the accepted bids, and as identified in the remedial action options report as the lowest cost acceptable alternative. If a more costly remedy is conducted, the eligible applicant will need to finance the difference in the costs.

- * Removing dry cleaning solvents from surface waters, groundwater and/or soil
- * Investigating and assessing contamination caused by a dry cleaning solvent from a dry cleaning facility
- * Preparing remedial action plans.
- * Removing contaminated soils
- * Soil and groundwater treatment and disposal
- * Environmental monitoring
- * Laboratory services
- * Maintaining equipment for dry cleaning solvent recovery performed as part of remedial action activities
- * Restoring or replacing a private or public potable water supply
- * Restoring environmental quality
- * Contractor costs for remedial action activities
- * Inspection and supervision
- * Other costs identified by the department as reasonable and necessary for proper investigation, remedial action planning and remedial action activities to meet the requirements of s. 292.11, Stats.

Ineligible Costs

The Dry Cleaner Environmental Response Program has a number of requirements regarding reimbursements for your cleanup costs. There are a number of items that are specifically designated as ineligible costs, according to s. 292.65, Wis. Stats., and in ch. NR 169, Wis. Adm. Code. While this may look like a daunting list, it is important for you to know in advance what is and what is not reimbursable.



- * Costs incurred before October 14, 1997
- * Costs of retrofitting or replacing dry cleaning equipment
- * Indirect costs charged by a contractor, unless those costs are allocated to the contract according to a reasonable cost allocation formula that the contractor uses for other, similar contracts



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- * An owner or operator's **indirect** costs, including indirect costs for equipment, supplies or services (actual costs for equipment, supplies or services that are used exclusively for the response action are eligible). If an owner or operator purchases equipment that is used exclusively for the response action, the department may reimburse the difference between the purchase cost and the salvage value of that equipment as determined by the department, provided that the difference does not exceed the reasonable cost of renting the equipment.
- * Costs for the time that the owner or operator, or any officer of the owner or operator, spends planning or implementing a response action (normal employee wages, salaries, expenses or other fringe benefit allocations for time which employees other than officers spend implementing a response action are allowed)
- * Costs to construct, repair, replace, improve, relocate or demolish any building or fixture
- * Loss or impairment of property values or other assets
- * Loss or impairment of revenue or income
- * Attorney fees or other legal costs
- * Costs of relocating residents or business operations
- * Costs of aesthetic or other improvements that are not essential to a response action, except for restorative grading and filling costs authorized by the department
- * Costs reimbursed from another source (the owner or operator shall promptly notify the department and repay any duplicate reimbursement they receive from another source for a cost that was previously reimbursed from the Fund)
- * Other costs that the department determines to be associated with, but not integral to, the investigation and remediation of a dry cleaning solvent discharge from a dry cleaning facility.
- * Costs that the department determines to be unreasonable or unnecessary to carry out the remedial action activities specified in the remedial action options report
- * Costs for investigation or remedial action conducted outside of this state
- * Financing costs, including interest and loan origination fees
- * Liability claims or judgments
- * Costs incurred by any federal, state or local government entity
- * Costs for a contractor's services that exceed the contractor's bid price for those services, except as provided under s. NR 169.21
- * Costs that are not yet paid, or for which the owner or operator may later receive a discount or rebate
- * Costs not documented by an invoice and a canceled check, or other conclusive proof of payment
- * Costs to investigate or repair environmental contamination involving substances that are not dry cleaning solvents (for sites with dry cleaning solvents **and** other contaminants, the department may reimburse a portion of the combined project costs based on an approved reasonable allocation formula)
- * Costs to analyze environmental samples for substances that are not dry cleaning solvents, unless it is needed to design or implement a response action
- * Costs to analyze environmental samples for dry cleaning solvents that could not reasonably have been discharged at the facility
- * Costs for environmental audits, evaluation or appraisals, other than those needed for the effective planning and implementation of a response action (Costs for site investigation scoping activities are not eligible for reimbursements if no release is found during those activities. Some costs for site investigation scoping activities may be reimbursed if they meet the eligible cost criteria for response actions in s. 292.65, Stats., and are incorporated into reports submitted as requirements for this program.)
- * Costs incurred by an owner or operator because of a contractor's breach of contract
- * Costs to prepare an application under s. NR 169.17, to contest an application decision under s. NR 169.25 or to consult with the department on the application
- * Air travel expenses
- * Expense charges for meals, lodging, travel or other personal expense (no mileage charges will be reimbursed)



- * Expedited service charges, including expedited laboratory analysis, mail, air freight or parcel delivery service, unless the department approves those charges in advance
- * Contractor charges that are not based on services provided by the contractor and documented under s. NR 169.17
- * Costs for subcontractor service charges or markups
- * Costs that are incurred prior to the effective date of the rule that the department determines are unreasonable
- * Interim action costs other than the preliminary site screening and the purchase and installation of interim remedial action equipment

Penalties

There is also a provision in the statute which states that if any person applies for reimbursement of an ineligible cost, the department shall deduct 50% of the amount of that cost from that person's eligible reimbursement claim. An owner or operator who is not certain whether a cost is eligible for reimbursement under this chapter may contact their project manager for a preliminary opinion under s. NR 169.19(1).

Application Requirements

Just as important as knowing in advance the costs that are not eligible, it is also important to know what type of information is necessary to complete your application. There are a number of forms that need to be completed for your application to be considered complete. The packet of application forms and detailed instructions on completing those forms is available by calling or can be downloaded from the web at www.dnr.state.wi.us/org/aw/rr/financial/index.htm#dry or www.dnr.state.wi.us/org/caer/cfa/LR/drycleaner/dryclean.html.



Forms

Some of the forms that will need to be completed include:

- * An application cover sheet with general applicant, site, and discharge information
- * A multiple owner or operators form that contains a certification that the owner or operator has made a reasonable effort to notify other owners or operators.
- * Reimbursement cost summary forms that detail and summarize the total eligible response action costs
- * An insurance information form indicating whether any portion of the response action costs for which the owner or operator seeks reimbursement may be covered by insurance
- * A substitute W-9 tax form (reimbursement paid to an owner or operator under this chapter may be reported as taxable income received by that person)

Record-Keeping

While the application forms will have detailed instructions on how to complete them and what specific items to include, you should be aware of what information you need to track while you are incurring costs. The following summarizes the major information that needs to be included in your application:

- * An accurate legal description of the land parcel where the facility is located which corresponds to the most recent accurate parcel description filed with the Register of Deeds in the county where the land parcel is located
- * A map showing the town, range, section and quarter-quarter section location of the site.
- * A summary of all of your costs by the major categories listed below accompanied by a detailed listing of all eligible response action costs for which the applicant seeks reimbursement:

A - Soil investigation
 C - Groundwater Investigation
 E - Air Vapor Site Investigation
 G - Laboratory and other analysis

B - Soil Remedial Action
 D - Groundwater Remedial Action
 F - Air Vapor Remedial Action
 H - Miscellaneous

The application forms provide a format for summarizing your costs.

- * Invoices (or other information) documenting the costs. The invoice must describe the materials or services provided, the amount charged for the materials or services, the identity of the provider, and the dates on which the materials or services were provided. The invoice must also be coded to the six cost summary categories listed above.
- * Canceled checks (or other information) documenting that the applicant has paid all invoiced costs.
- * All accepted proposals (contracts) for consulting and contract services and documentation of any changes to the original contract including a summary of records of the contract negotiations. Services and costs detailed in the agreement must be coded to the six major cost categories listed above.
- * Where competitive proposals are required for selection of a consultant or contractor, a summary of all of the proposals received.
- * Each cost must be cross referenced to the summary statement of all the following:
 1. Every proposal as required
 2. Every cost estimate, including the consultant's name and the estimate
 3. Every authorization, including the consultant's name and the amount of the authorization

TIMING OF APPLICATIONS

In order to manage the funds effectively, the department requires the applications to include all of the costs incurred prior to the submittal of that application. In other words, each reimbursement application needs to include all eligible response action costs paid after the date of the applicant's last application and before or on the date of the current application. An owner or operator may not apply for reimbursement of eligible response action costs paid before the date of a prior reimbursement application to the department, unless those costs were not eligible for reimbursement under this chapter at the time of the prior application.



Fraudulent Applications

The department is responsible for ensuring the Fund is used appropriately. To that end, there are penalties for submitting fraudulent reimbursement applications. Any person who makes (or conspires with another person to make) any false, deceptive or misleading representation in connection with a reimbursement application is ineligible for any reimbursement for that response action. They are also ineligible for reimbursement for any other response action taken or ordered at any discharge facility within 5 years after the date of that application. Persons filing fraudulent claims may also be subject to criminal prosecution. In addition, any person who has reason to believe that they have received a reimbursement for which they are ineligible shall immediately notify the department and shall refund with the notification the full amount of the reimbursement for which they are ineligible.

More Information

Consult ch. NR 169 for the exact rule language and more detail of the Dry Cleaning Environmental Response Program. A copy of the complete rule, including an analysis and fiscal estimate can be obtained at no cost by calling 1-800-367-6076 (long distance in-state) or (608) 264-6020 (local or out-of-state). Our Web site also contains ch. NR 169, as well as other information on this and other Remediation and Redevelopment programs and Community Financial Assistance programs. Check it out at www.dnr.state.wi.us/org/aw/rr or www.dnr.state.wi.us/org/caer/cfa/cfindex.html. An application packet including application forms and detailed instructions on completing those forms is available from your nearest DNR Regional office. If you have questions on the program or completing the forms, you may also contact your DNR project managers for assistance.

For More Information

To order this and any other publications, or to find out more information about the Remediation and Redevelopment Program, please call our Information Line at 800-367-6076 (long distance in-state) or 608-264-6020 (local or out-of-state); or check out our web site at <http://www.dnr.state.wi.us/org/aw/rr>.

This document contains information about certain state statutes and administrative rules but does not necessarily include all of the details found in the statutes and rules. Readers should consult the actual language of the statutes and rules to answer specific questions.

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